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CENTRAL INTELLIGENCE AGENCY

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## KUANG-CHOU TAXES BUSINESSMEN SEVERELY; LIGHT INDUSTRY PROBLEMS CONSIDERED

BUSINESSMEN COMPLAIN -- Kung-shang Jih-pao, 21 Jan 50

Kuang-chou businessmen are complaining bitterly that they are being taxed out of existence. As a result of the 15-billion-yuan loan to the Municipality in December, the current big victory loan drive, and the new requirement to pay 30 billion yuan as income taxes for the second half of 1949, great numbers of businesses are closing down. What little fluid capital is left is endeavoring to flee the city.

KUANG-CHOU TO REGISTER BUSINESSES -- Kung-shang Jih-pao, 21 Jan 50

The Kuang-chou Bureau of Industry and Commerce has announced plans for a complete registration of every industry and business in the city, regardless of size, nature, or membership in trade associations. All must apply for registration, and permits will be issued to those considered eligible.

Since the notice of this plan has been published, individuals have appeared, claiming to be representatives of the bureau, and claiming to be able (for a consideration) to handle the process for prospective applicants or make trouble for those who decline their services. The bureau has issued instructions that no one is authorized to issue permits except its offices and has stated that all its representatives are provided with proper identification which any person concerned may require them to produce on demand. Imposter, should be reported to the authorities at once.

MINISTRY ACTS TO SOLVE LIGHT INDUSTRY PROBLEMS -- Hua-ch'iao Jih-pao, 2 Feb 50

Pei-p'ing, 26 January -- The Ministry of Light Industries of the Central People's government completed action on an operational plan for 1950 for the various industries under it. The plan is divided into eight parts:

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- 1. Paper -- Considering the importance of this industry, the Ministry convoked a national paper conference on 5 January 1950. It was recognized that production did not meet requirements, and measures were studied to make up the deficiency.
- 2. Handicrafts -- In view of China's industrial backwardness, these industries still play a large economic role, and have a bearing on the livelihood of many people. A separate plan has been devised by the Ministry for the expansion of handicraft industries.
- 3. Ceramics -- This industry is significant for its ability to earn foreign exchange and employ large numbers of people. The Ministry has acted to improve workmanship and organization, and to solve various problems associated with transport and marketing. A plan has been drawn in cooperation with the Ministry of Cultural Af irs to promote sales at home and abroad.
- 4. Manufacture of weights and measures -- the confused state of weights and measures values represent an invisible form of exploitation of the people. The Ministry is acting in cooperation with the Ministry of the Interior and the Technical Skills Bureau of the Central Finance and Economics Commission to study, publicize, manufacture, investigate, and standardize weights and measures.
- 5. Matches -- The primary difficulty associated with this industry has been the dependence on foreign sources for chemical raw materials. Plans call for the establishment of factories capable of producing raw materials for matches.
- 6. Leather -- Plans for 1950 call for the establishment of a number of plants to produce materials used in tanning. Lack of these materials has caused a great waste of foreign exchange in recent years.
- 7. Rubber -- The 1950 plans aim at solving difficulties involving raw materials, manpower, and markets.
- 8. Cultural materials -- Materials in this category, such as educational equipment, are scheduled for increased production. At present, domestic products are in short supply and high in price, seriously affecting cultural development.

TUNG-OIL YIELD RICH IN 1950 -- Hua-ch'iao Jih-pao, 3 Feb 50

According to initial estimates, the 1950 yield of tung oil for China will be substantial. Szechwan already has 50,000 tons on hand. West Hunan, North Hupeh, and North Kweichow production will total nearly 20,000 tons. Anhwei and Chekiang are producing nearly 10,000 tons. Processing of tung seeds has been started in all areas, and, except for a small quantity which will be used locally, the greater part will go for export.

COAL MINE RETURNED TO OWNERS -- Hua-ch'iao Jih-pao, 3 Feb 50

Pei-p'ing, 20 January (NCNA) -- The privately owned Chung-hsing coal mine in Men-t'ou-kou, which had been under the control of the Pei-p'ing Military Control Commission, was returned to the management of its original owners, the P'ing-hsing Industrial Company, on 16 January 1950.

In December 1948, when Men-t'ou-kcu was liberated, the directors and responsible personnel of the mines fled from the mining district in response to KMT propaganda. The mines were left untended, and production came to a standstill. The Pei-p'ing Military Control Commission sent representatives to run the mine on 4 February 1949. The North China Coal and Iron Company's Pei-p'ing branch office and the Pei-p'ing branch of the People's Bank of China effected a recovery in production through

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purchase contracts and loans. When the responsible personnel of this mine returned and requested that the mine be returned to them, the Pei-p'ing Military Control Commission and the Pei-p'ing Municipal People's government approved such action after establishing that this mine was not capitalistic.

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